



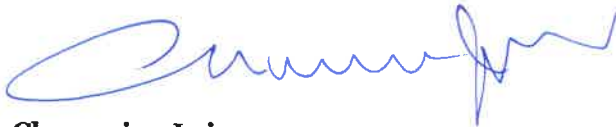
***MASHREQ BANK - PUBLIC SHAREHOLDING COMPANY
(KNOWN AS MASHREQBANK PSC)
- HONG KONG BRANCH***

Interim Financial Disclosure Statements
As at 30 June 2024

Mashreqbank psc Hong Kong Branch
Interim Financial disclosure statements as at 30 June 2024

DECLARATION BY CHIEF EXECUTIVE

It is hereby certified that the information disclosed in this statement is prepared in compliance with Part 8 of the Banking (Disclosure) Rules and to the best of my knowledge and belief, it is not false or misleading in any material respect.



Chermaine Lai
CHIEF EXECUTIVE
(MASHREQBANK PSC - HONG KONG BRANCH)
September 2024

Mashreqbank psc Hong Kong Branch

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Financial Information

STATEMENT OF PROFIT AND LOSS

	For the half-year ended 30-06-2024 HK\$'000	For the half-year ended 30-06-2023 HK\$'000
Interest income	550,323	372,270
Interest expense	(443,924)	(275,243)
Net interest income	106,399	97,027
Fee and commission income	35,600	30,184
Fee and commission expense	(31,962)	(16,492)
Net fee and commission income	3,638	13,692
Gains less losses arising from other trading activities	15,623	5,494
Other income	471	3,014
Operating income	126,131	119,227
Staff and rental expenses	(20,579)	(19,107)
Other expenses	(21,916)	(23,948)
Operating profit before impairment	83,636	76,172
Provision of impairment allowances	(3,153)	(24,063)
Profit before taxation	80,483	52,109
Income tax expense	(13,327)	(8,512)
Profit after taxation	67,156	43,597

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Financial Information

STATEMENT OF FINANCIAL POSITION

	Notes	As at 30-06-2024 HK\$'000	As at 31-12-2023 HK\$'000
Assets			
Cash and balances with banks	1	18,139	24,152
Placements with banks	1	392,296	-
Due from exchange fund		63,189	87,467
Due from overseas offices		3,019	121,861
Trade bills		11,363,568	11,206,634
Loans and receivables	2	3,563,161	4,477,072
Property, plant and equipment		2,177	3,071
Other assets		123,915	114,491
Less: General provisions for other claims		(616)	(1,093)
Total Assets		15,528,848	16,033,655
Liabilities			
Deposits and balances from banks		10,515,342	11,817,498
Due to overseas offices		463,524	32,330
Customer deposits	8	2,773	2,982
Certificates of deposit issued		3,902,640	3,210,350
Other liabilities		644,569	970,495
Total Liabilities		15,528,848	16,033,655

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Additional Information

1. CASH AND CASH EQUIVALENTS

	As at 30-06-2024 HK\$'000	As at 31-12-2023 HK\$'000
Cash and balances with banks	18,151	24,160
Placements with banks	390,377	-
Accrued interest	1,919	-
Less:		
General Provisions	(12)	(8)
Specific Provisions	-	-
Total cash and cash equivalents	410,435	24,152

2. LOANS AND RECEIVABLES

	As at 30-06-2024 HK\$'000	As at 31-12-2023 HK\$'000
Loans and advances to customers	3,555,611	4,461,539
Accrued interest	12,547	20,933
Less:		
General Provisions	(4,997)	(5,400)
Specific Provisions	-	-
Total loans and receivables	3,563,161	4,477,072

3. IMPAIRED LOANS AND ADVANCES TO CUSTOMERS

Impairment allowances are booked in Hong Kong Branch, and determined based on the expected credit loss provision requirement of IFRS9. Booking of expected credit loss allowances are based on assessment completed by the Head Office in the UAE.

Impaired loans and advances are classified as "substandard", "doubtful" and "loss" under the classification of loan quality. There were no impaired loans and advances to customers as at 30 June 2024 and 31 December 2023.

4. OVERDUE AND RESCHEDULED ASSETS

There were no assets which have been overdue for more than 3 months and no rescheduled assets as at 30 June 2024 and 31 December 2023.

5. REPOSSESSED ASSETS

There were no repossessed assets as at 30 June 2024 and 31 December 2023.

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6. LOANS AND ADVANCES TO CUSTOMERS BY GEOGRAPHICAL AREA

The following are loans and advances to customers by geographical areas which are classified according to the location of the counterparties after taking into account any recognized risk transfer. Countries to which not less than 10% of total loans and advances to customers are shown as follows:

	As at 30-06-2024 HK\$'000	As at 31-12-2023 HK\$'000
China	697,586	893,297
Hong Kong	1,548,833	2,634,464
Switzerland	1,122,009	811,456
Other	187,183	122,322
Total	3,555,611	4,461,539

7. LOANS AND ADVANCES TO CUSTOMERS BY MAJOR SECTORS

	As at 30-06-2024 HK\$'000	As at 31-12-2023 HK\$'000
Industrial, commercial and financial:		
Manufacturing	1,151,872	1,193,296
Information technology	938,526	2,129,333
Total Loans and advances for use in Hong Kong	2,090,398	3,322,629
Loans and advances for use outside Hong Kong	1,465,213	1,138,910
Total	3,555,611	4,461,539

The loans and advances above are not covered by collateral or other security.

8. CUSTOMER DEPOSITS

	As at 30-06-2024 HK\$'000	As at 31-12-2023 HK\$'000
Demand deposits and current accounts	2,773	2,982
Saving deposits	-	-
Time, call and notice deposits	-	-
Total customer deposits	2,773	2,982

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Additional Information

9. NON-BANK MAINLAND CHINA EXPOSURES

The analysis of non-bank Mainland exposures is based on the categories of non-bank counterparties and the types of direct exposures with reference to the completion instructions for the HKMA return of Mainland activities.

	Items in the HKMA return	On-balance sheet exposures HK\$'000	Off-balance sheet exposures HK\$'000	Total exposure HK\$'000
As at 30-06-2024				
Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs")	1	1,493,376	607,363	2,100,739
Local governments, local government-owned entities and their subsidiaries and JVs	2	-	-	-
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	3	333,551	-	333,551
Other entities of central government not reported in item 1 above	4	-	-	-
Other entities of local governments not reported in item 2 above	5	-	-	-
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	6	-	-	-
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	7	1,098,593	677,637	1,776,230
Total	8	2,925,520	1,285,000	4,210,520
Total assets after provision	9	15,528,848		
On-balance sheet exposures as percentage of total assets	10	18.84%		

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9. NON-BANK MAINLAND CHINA EXPOSURES (CONTINUED)

	Items in the HKMA return	On-balance sheet exposures HK\$'000	Off-balance sheet exposures HK\$'000	Total exposure HK\$'000
<u>As at 31-12-2023</u>				
Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs")	1	1,366,241	1,107,797	2,474,038
Local governments, local government-owned entities and their subsidiaries and JVs	2	-	-	-
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	3	347,882	-	347,882
Other entities of central government not reported in item 1 above	4	-	-	-
Other entities of local governments not reported in item 2 above	5	-	-	-
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	6	-	-	-
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	7	<u>2,344,651</u>	<u>48,973</u>	<u>2,393,624</u>
Total	8	<u>4,058,774</u>	<u>1,156,770</u>	<u>5,215,544</u>
Total assets after provision	9	<u>16,033,655</u>		
On-balance sheet exposures as percentage of total assets	10	<u>25.31%</u>		

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10. INTERNATIONAL CLAIMS

The country-risk exposures in the table below are prepared in accordance with the HKMA Return of the International Banking Statistics. International claims are on-balance sheet exposures to counterparties based on the location of the counterparties after taking into account the transfer of risk.

Countries or geographical areas constituting 10% or more of the total cross-border claims are disclosed.

As at 30-06-2024	in HKD Million					Total
	Banks	Official sector	Non-bank financial institutions	Non-financial private sector	Others	
Developing Africa and Middle East	2,447	-	-	-	-	2,447
- Egypt	1,690	-	-	-	-	1,690
Developing Asia and Pacific	8,839	-	-	700	-	9,539
- Bangladesh	5,092	-	-	-	-	5,092
- Vietnam	2,477	-	-	-	-	2,477

As at 31-12-2023	in HKD Million					Total
	Banks	Official sector	Non-bank financial institutions	Non-financial private sector	Others	
Offshore Centres	107	-	-	2,345	-	2,452
- Hong Kong SAR	106	-	-	2,345	-	2,451
Developing Africa and Middle East	2,392	-	-	-	-	2,392
- Egypt	1,837	-	-	-	-	1,837
Developing Asia and Pacific	8,354	-	-	899	-	9,253
- Vietnam	4,332	-	-	-	-	4,332
- Bangladesh	3,269	-	-	-	-	3,269

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11. CURRENCY RISK

The net positions of the foreign currencies, which individually constitutes not less than 10% for both Jun 2024 and Dec 2023 position of the branch's total net position in all foreign currencies, are disclosed as follow:

in HKD Million			
As at 30-06-2024	US Dollars	Euro	Total
Spot assets	14,340	621	14,961
Spot liabilities	(15,299)	(55)	(15,354)
Forward purchases	984	16	1,000
Forward sales	(16)	(576)	(592)
Net long/ (short) position	9	6	15

in HKD Million				
As at 31-12-2023	US Dollars	Euro	Chinese Renminbi	Total
Spot assets	14,939	646	108	15,693
Spot liabilities	(15,827)	(84)	(84)	(15,995)
Forward purchases	1,253	49	0	1,302
Forward sales	(360)	(625)	(22)	(1,007)
Net long/ (short) position	5	(14)	2	(7)

There is neither structured position nor option position held as at 30 June 2024 and 31 December 2023.

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12. OFF BALANCE SHEET EXPOSURES (OTHER THAN DERIVATIVE TRANSACTIONS)

	As at 30-06-2024 HK\$'000	As at 31-12-2023 HK\$'000
Transaction-related contingent items	11,399	11,409
Trade-related contingent items	881,679	1,109,410
Other commitments	1,555,834	1,647,031
Total	2,448,912	2,767,850

13. DERIVATIVES

Notional amount:	As at 30-06-2024 HK\$'000	As at 31-12-2023 HK\$'000
Exchange rate contracts	999,526	1,614,433

Fair value assets:	As at 30-06-2024 HK\$'000	As at 31-12-2023 HK\$'000
Exchange rate contracts	21,025	4,088

Fair value liabilities:	As at 30-06-2024 HK\$'000	As at 31-12-2023 HK\$'000
Exchange rate contracts	-	9,627

No bilateral netting agreement for derivative transaction has been made as at 30 June 2024 and 31 December 2023.

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14. LIQUIDITY INFORMATION

Quarterly Average Liquidity Maintenance Ratio is calculated as the simple average of each month's average liquidity ratio for the three months of the quarter completed in accordance with Banking (Liquidity) Rules.

	Q2 2024	Q2 2023
Average Liquidity Maintenance Ratio for the period	63.90%	86.89%

Liquidity Risk Management

Liquidity Risk Management is a component of Mashreqbank psc Hong Kong Branch's Asset and Liability management framework.

The Liquidity Risk Management frame comprises of the following:

- Roles and responsibilities, organizational structure for oversight
- Operational liquidity risk management
- Periodic reporting of liquidity positions
- Managing funding sources
- Liquidity Contingency Plan that establishes indicators to alert senior management to potential liquidity and funding problems

The Hong Kong Asset and Liability Committee ("ALCO") comprising key members from local management and Treasury, conducts meeting on a regular basis to review the liquidity reports and deliberate important liquidity risk management matters.

- (a) **Liquidity Monitoring:** Branch manages the operational liquidity by cash flow mismatch analysis under defined business scenarios. Short term liquidity stress tests are performed based on institution specific, general market crisis and a combined scenario. The results of the stress tests are used to adjust liquidity risk management strategies, policies and positions.

The Branch follows the applicable guidance set forth by the HKMA in Supervisory Policy Manual LM-2 "Sound systems and controls for liquidity risk management".

- (b) **Liquidity Reporting:** In house systems and procedures are in place to meet the various reporting requirements. Daily cash flow mismatch reports are produced by using contractual cash flows in the balance sheet and placing them into appropriate time buckets. The regulatory reports for Liquidity Maintenance Ratio are prepared in accordance with the relevant reporting requirements.
- (c) **Funding Strategy:** The liquidity and funding positions of the Branch is centrally managed at Hong Kong branch. The Branch maintains a diverse range of funding sources. The Branch also maintains an appropriate duration of funding to avoid any significant tenor mismatch.

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Group Information (Consolidated basis)

1. CAPITAL AND CAPITAL ADEQUACY

1. Capital Ratio

	As at 30-06-2024	As at 31-12-2023
Total capital ratio	19.45%	16.51%
Tier 1 capital ratio	17.31%	14.34%
Common equity tier 1 capital ratio	15.66%	13.71%

The capital ratios are calculated in accordance with the Basel III capital requirements of the Central Bank of the UAE.

2. Shareholders' funds

	As at 30-06-2024 AED'000	As at 31-12-2023 AED'000
Aggregate Amount	33,254,574	31,317,790

2. OTHER FINANCIAL INFORMATION

	As at 30-06-2024 AED'000	As at 31-12-2023 AED'000
Total assets	253,467,353	239,980,609
Total liabilities	220,212,779	208,662,819
Total loans and advances	113,827,241	110,355,479
Total customer deposits	153,964,060	146,232,155

	For the half-year ended 30-06-2024 AED'000	For the half-year ended 30-06-2023 AED'000
Pre-tax profit	4,499,184	3,622,047